

GEORGE PEABODY

AN ADDRESS BY

WILLIAM DISMORE CHAPPLE

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1933



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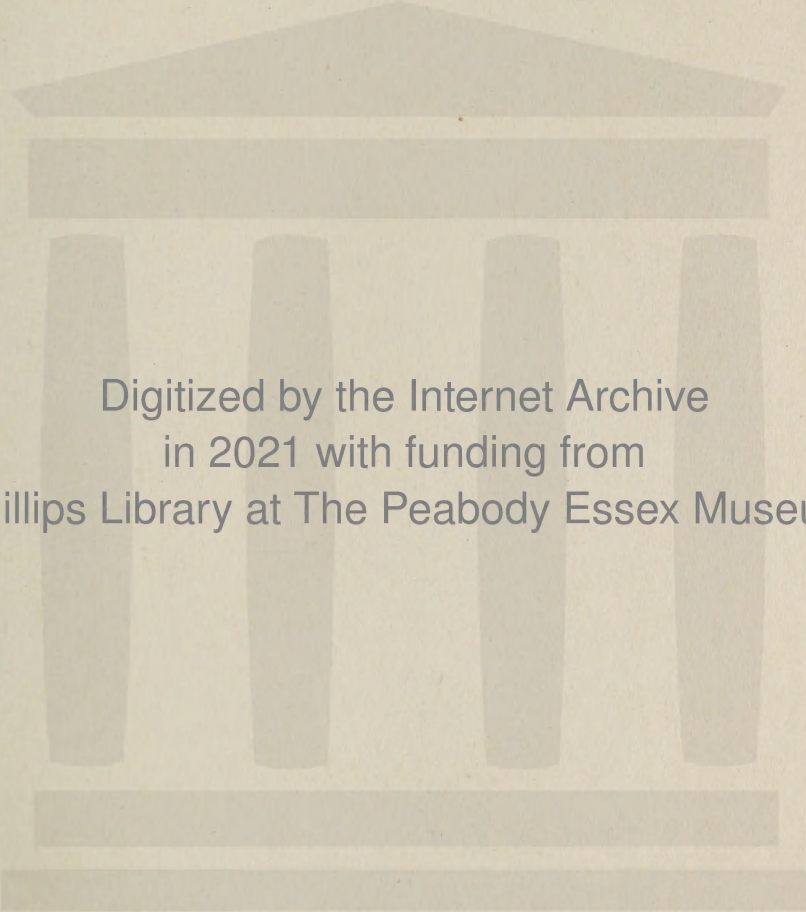


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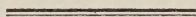








GEORGE PEABODY





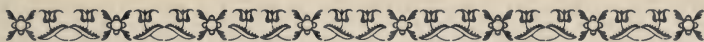






*George Peck*  
*The Friend of Maryland, and Champion of her Soil.*

PRINTED BY A. HODGKINS & CO. N.Y.



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# GEORGE PEABODY

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WILLIAM DISMORE CHAPPLE

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PEABODY MUSEUM  
OF  
SALEM, MASSACHUSETTS  
1933

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N 1867, George Peabody gave to a self-perpetuating board of nine trustees, whom he named, a fund for the promotion of science and useful knowledge in his native county of Essex. These trustees were incorporated in 1868 as "The Trustees of the Peabody Academy of Science," in 1915 changed by Act of Legislature to "Peabody Museum of Salem." This new institution received on permanent deposit the museum of the East India Marine Society, founded in 1799, and the natural history collections of the Essex Institute, organized in 1834, which are the basis of its present museum.

The following address was delivered in Academy Hall, Peabody Museum of Salem, at a meeting of the Essex Institute, February 13, 1933, Professor Elihu Thomson, President of the Trustees of the Peabody Museum, presiding.


It is based upon personal research at the Registry of Deeds and Probate Court in Salem, and articles in periodicals and short sketches of the life of Mr. Peabody on file at the Essex Institute, the Peabody Museum in Salem and the Peabody Institute at Peabody. Correspondence with and reports from the Peabody Foundation Fund of London, have been examined and also reports and publications of the Peabody Education Fund and of the George Peabody College for Teachers at

Nashville and the publication issued at the time it celebrated its fiftieth birthday ; also the account published by the Town of Danvers commemorating the one hundredth anniversary of its separation from Salem, the memorial volume issued after the reception to George Peabody on his visit to Danvers and South Danvers and those printed in London describing the George Peabody banquets in that city. Speeches and addresses concerning Mr. Peabody, by prominent persons, have contributed certain facts and Salem, Boston, Portland and London newspapers, published at the time, have supplied information describing the events mentioned.

The portrait of George Peabody here reproduced is from a scarce lithograph published in 1857 by A. Hoen & Co. of Baltimore, the drawing on the stone having been made by Fabronius. An original print is in the possession of the Peabody Museum of Salem.



## GEORGE PEABODY

N 1635, Francis Peabody, a youth of twenty-one, left his home in St. Alban's, Hertfordshire, a small village about seventeen miles from London, and embarked on the good ship *Planter* for New England. In 1657, twenty-two years later, he permanently located in Topsfield, Massachusetts, where he built the first grist mill and became one of its leading citizens. His wife was Mary, daughter of Reginald Foster, who was honorably mentioned by Sir Walter Scott in "Marmion" and the "Lady of the Lake." They had fourteen children, including five boys, and when the old gentleman died in 1696, the sons, three of whom settled in Boxford and two remained in Topsfield, inherited a large landed estate. From them descended a distinguished line of patriots and citizens bearing the name of Peabody. Many of them fought in the French and Indian wars, one falling on the Plains of Abraham; others served at Ticonderoga, Louisburg and Bunker Hill.

A descendant of Francis Peabody in the fifth generation, was Thomas Peabody, an humble and hard-working citizen, of whom we know little excepting that he was a Revolutionary soldier. He married Judith Dodge and had ten children

—five boys and five girls. The fourth child and third son was George Peabody, who was born February 18, 1795, in the South Parish of Danvers, which, because of his birth, is called Peabody. The small frame house in which he was born is still standing on what was then the old road from Salem to Boston and is now called Washington Street.

While his parents were not in straightened circumstances, they could ill afford to allow their large family of children to spend much time in school. George did not go to school until he was seven years old and only stayed until he was eleven. He could have learned but little in those three or four years, but what he did learn he knew thoroughly. His handwriting was copper plate, which should shame the youth of the present age who spend so much time being educated but write so badly. He always insisted that there was nothing exceptional about his pedigree or his parentage.

He was really a paradox for although he gave much of his fortune for education he was himself uneducated in the higher sense of the word, and was a shining example of what a man with little education can accomplish. Chief Justice Shaw once said that a commercial document written by Peabody was among the clearest and most comprehensive ever presented in the Supreme Judicial Court. His first half dollar was paid him by a man named Flint for driving sheep, and the first whole dollar by John Upton for giving out refreshments

and washing dishes at a military muster in Danvers Plains.

At the age of eleven Peabody's schooling was finished and he was apprenticed by his father to Captain Sylvester Proctor, for four years, to learn the grocery and drug business. As compensation for those four years of hard work he received the munificent sum of twenty-five dollars, together with an additional five dollars and a suit of clothes when he had served his apprenticeship. Proctor and his other clerk made rough memoranda of the daily sales on brown paper and went home leaving the faithful boy to enter them with beautiful exactness in the books of account. His handwriting was the revelation of a clear mind. The years that most children devote to education Peabody spent learning to buy, sell and barter, for much of the store's trade was in country produce. He was ambitious, and when Proctor talked of one Smith who could braid six dozen whips in a day, the boy responded by braiding eight dozen. It is probable that his scanty education, which he often said was a great hardship to him in life, was one of the reasons he gave such large sums for the education of others.

At the end of his apprenticeship the boy would not listen to Captain Proctor's appeal that he stay with him and earn real wages, but made a visit to his maternal grandfather, Jeremiah Dodge, at the Post Mills Village of Thetford, Vermont, the trip being made with a carter carrying freight



from Salem to the Green Mountains. He stayed with his grandfather for a year.

At the age of sixteen George went to work for his brother David Peabody, who was born in 1790 and was then twenty-one, at the newly opened draper's shop in Newburyport which David was carrying on under the name of David Peabody and Company with Samuel Swett as a partner. He had only been in Newburyport a short while when on May 13, 1811 his father died, at the age of forty-nine. David was appointed administrator of his father's estate, which was so involved that he represented it insolvent in the Probate Court. The principal asset of the estate was the twelve acre farm where George was born, on the old Boston Road, which the father had bought in April 1795, about two months after George's birth. The farm was appraised at \$1,250 but was subject to three mortgages amounting to about \$1,000, besides which the father owed six or seven hundred dollars in other debts. The farm was finally purchased by David Peabody and held until 1816, after George had become twenty-one, when it was conveyed to him, he retaining it as a home for the family until 1832, a few years after his mother's death.

While in Newburyport the boy, because of his beautiful penmanship, was employed to write ballots for the Federalist party, as that was before the days of printed ballots.

On May 31, 1811, barely two weeks after his

father's death, occurred the fire which is still called the great fire of Newburyport and which destroyed two hundred and fifty stores and dwellings. The boy George was one of the first to give the alarm. The store of David Peabody & Company, which stood at what was then called 3 Cornhill, nearly opposite the old Town House, was not destroyed by the fire, but because of the general stagnation following it, the firm became financially embarrassed and went out of business. The fire was a calamity to Newburyport but a blessing in disguise to George Peabody for if it had not occurred he might have remained a contented Newburyport draper, and the world and humanity would have lost a great benefactor. The dry goods store at the corner of State Street and Market Square, conducted by Colonel John Peabody, a brother of George's father and a leading citizen of Newburyport, was totally destroyed by the fire. Colonel Peabody, who had lived in fine style up to that time, also became bankrupt.

Believing that the new capital at Washington would become an important commercial center, Colonel Peabody and George decided to go there and get in on the ground floor. On the 4th of May 1812 they sailed from Salem in the brig *Fame*, bound for Georgetown, D. C., where the uncle started in the dry goods business. Because of his insolvency the business was conducted in the name of his seventeen year old nephew. Prescott Spaulding, who was in business in Newburyport

and fourteen years older than George, gave him a letter of credit on Boston, through which he obtained two thousand dollars worth of merchandise from James Reed who was so favorably impressed by George that he gave him credit for a larger sum. Later in life at a public meeting Peabody laid his hand on Mr. Reed's shoulder and said, "My friends, this is my first patron and he is the man who sold me my first bill of goods." After Peabody was established in Georgetown one of his first consignments was from Francis Todd of Newburyport, who, in three months, was paid and received another order for double the amount.

A month after beginning business another calamity, of national importance, overtook him. On June 18, 1812, President Madison declared war on Great Britain. George, although only seventeen, remembering that his father, whose death was still a recent sorrow, had fought in the Revolution, enlisted in the artillery for the defense of Washington. His battery was assigned to Fort Warburton in Maryland, which commanded the approach to Washington by the Potomac River. He was under the command of Colonel John Peters, whose wife was a niece of George Washington. Among the gunners in his battery was Francis Scott Key who was later to write "The Star Spangled Banner." While there was much drilling and fatigue duty, his active service was limited to twelve days, for which service and a few days at Newburyport, in 1814, in Captain



Pike's company, he was, in 1857, awarded by Congress one hundred acres of land.

Peabody worked for his uncle about two years, some of the time tramping the roads carrying a pack on his broad shoulders. After thoroughly canvassing a locality he would dispose of his remaining goods at a cross-road store for less than the retail price, so that returning to headquarters his pack was always empty.

While still a boy with limited means he shared the support of his mother and younger brothers and sisters, and before he was twenty-four he voluntarily assumed the whole of their support. After his mother died in 1830 he continued the support of his remaining family.

He became dissatisfied with his uncle's financial condition and with obligations for which he was making himself personally liable although the business belonged to his uncle, and left his employ. Among those in the battery with whom he became acquainted was a rival dry goods merchant, Elisha Riggs, ten years older than Peabody, who proposed a partnership in the wholesale dry goods business under the name of Riggs & Peabody. Riggs is best remembered because of the hotel which he erected in Washington, which bore his name and was for its time the most palatial hotel in the capital city. Riggs was deceived by the mature and business-like appearance of George and was astonished when he told him he was a minor only nineteen years old, but it made no

difference to Riggs who went through with the partnership. While it has been stated that Riggs supplied all of the capital and Peabody the initiative, it is certain that although Riggs contributed five thousand dollars, George, by straining every resource, put in \$1,650.40, or about one-third as much as his partner. Regardless of who put in the capital it was Peabody who did the work and built up the business.

The boy insisted that the partnership be for a term of five years, renewable for further periods of five years each, and neither ever had occasion to regret the partnership. At first Peabody spent much of his time on the road, no longer on foot but with a horse, defying bad roads and highwaymen. He made frequent trips through the states of New York, Pennsylvania, Maryland and Virginia, lodging with farmers. He was tall and fine looking, a good mixer and one of the first successful merchant travelers. It was just as easy to handle a gross as a dozen and he began to spread out, exporting raw cotton and other commodities to England and bringing back finished goods to the United States.

He decided that his headquarters should be at a seaport, nearer to the wharves and ships, and in 1815, Riggs and Peabody removed from Georgetown, D. C., to Baltimore. Business increased rapidly there and 1822 they started branches in Philadelphia and New York.

In 1829, Elisha Riggs retired and Peabody

became the senior partner with a nephew of Mr. Riggs under the name of Peabody, Riggs and Company. He soon found that it was not necessary to personally own all of the cargoes but that there was money in supplying credit to facilitate the shipping of cargoes by others. In 1827 he heard that there was a crop of southern cotton which Lancashire desired to purchase, and at the age of thirty-two Peabody went to England to sell the cotton and buy merchandise.

In 1835, when the citizens of Danvers wished to commemorate the sixtieth anniversary of the Battle of Lexington by erecting the shaft which stands at the corner of Main and Washington Streets, in memory of her seven sons who were killed in the battle, and had raised seven hundred dollars for the purpose, finding it was not enough, John W. Proctor wrote to Peabody, in Baltimore, telling him of the situation. He received a signed draft from Peabody with the amount blank and directions to fill in whatever sum was needed. It was used to make up the balance of the one thousand dollars which the monument cost.

Peabody had established a reputation in London for financial strength and honest dealing and as a merchant whose word was to be believed. Two years before he left Baltimore he was appointed, by an Act of the Maryland assembly, one of three commissioners to negotiate a loan for the State. The credit of many of the American States was then below par, for several had refused to pay

their bonds. Maryland herself had talked of defaulting. Peabody decided to handle the matter personally and first told Maryland in the plainest terms that if it wished a new loan they must stop all talk of a default of their existing liabilities. He journeyed to London and invited twelve of the leading bankers to his dinner table, many of whom held outstanding Maryland bonds. He persuaded them that if they wished to collect what was due them they must help the State through its financial difficulty and lend eight million dollars more, which they finally did. His friend George Owen, the Socialist, said that Peabody borrowed the money "on his face." This achievement created a sensation and placed Peabody in the front ranks as a financier, but there was a still greater sensation when his check from the State of Maryland for his commission of \$60,000 was returned to the State with his best wishes. For this act he received a vote of thanks from the Maryland legislature. His generosity was really astounding for he was still comparatively a poor man, but his returning the commission was a blow to British prejudices against Americans and from that day he was regarded in London as a financial phenomenon. Thereafter he made several trips across the Atlantic.

In 1837, the year good Queen Victoria ascended the throne, Peabody decided that he must subordinate his own desires and make his headquarters in what had become the center of finance and



commerce. He took up his residence in London, at the age of forty-one, where he lived for the greater part of the remaining thirty-three years of his life;—one of the first native-born Americans to take up international banking, and, during the whole of his remaining life, the foremost American in Europe.

When, in 1836, he saw a financial storm approaching, he said to a friend, "I am confident that the rage for speculation which has characterized the last two or three years must produce disastrous results. Accordingly I have written to my partners to keep everything snug and without reference to new sales or profits to get in outstanding debts and prepare for the emergency." The next year, 1837, the storm broke and although but just established in London the names of Peabody, Riggs and Company and its senior partner, George Peabody, became household words on both sides of the ocean as bulwarks of financial stability. In 1843, Peabody, Riggs & Company was dissolved and the firm of George Peabody and Company, merchants and bankers, established.

In London and other parts of England he bought British manufactures for shipment to the United States, and the ships came back freighted with every kind of American produce for sale in England. To that profitable business, however, was added one far more lucrative. The merchants and manufacturers on both sides of the Atlantic, who transmitted their goods through him, some-

times procured from him advances on account of the goods in his possession long before they were sold. At other times they found it convenient to leave large sums in his hands long after the goods were disposed of, knowing that they could draw whenever they needed, and that in the meantime their money was being so profitably invested that they were certain of a proper interest on their loans. Thus he became a banker as well as a great merchant, and ultimately much more of a banker than a merchant. While other London merchants charged 10% on American paper his charge was but 5%, and he soon built up a tremendous business.

In a speech delivered by Peabody at Danvers in 1856, referring to his London firm, he said, "I have endeavored in the constitution of its members and the character of its business to make it an American House, and to give it an American atmosphere; to furnish it with American journals; to make it a center for American news, and an agreeable place for my American friends visiting London." He became the chief financial representative of America in England. Until he began business in London this country had no considerable financial standing abroad.

Rufus Choate said, "He devoted himself to helping his country not by swagger and vulgarity but by recommending her credit"; and Edward Everett that—"His words were the words of an honest man and turned paper into gold."

The credit of his individual name was frequently greater in London than of some of our States, and his endorsement was necessary before their bonds could be sold.

George Peabody was among the first to value the banquet as an instrument of diplomacy. On July 4, 1851 he gave a dinner which was to become an annual custom for the next seven or eight years by a celebration in London of America's birthday as a nation. The guest at the first banquet was the greatest of Englishmen then living—the Duke of Wellington, eighty-four years of age—whose presence alone was enough to make the dinner a tremendous success.

In 1851 the first International Exposition was opened in London in the newly constructed Crystal Palace. Other governments treated their exhibits as national affairs but Congress did nothing. When our exhibitors arrived there was no money to arrange the exhibits or to decorate the American section. There was great derision on the part of the English newspapers; but George Peabody stepped in and paid the entire expense of about \$15,000 and the American exhibit, with many products of American ingenuity including McCormick's reaper, Colt's revolver and Hoe's wonderful printing press, was so successful that the leading London newspapers admitted that the English received more benefit from the American exhibit than that of any other country. Congress afterwards refunded the money to Mr. Peabody

with suitable acknowledgment for his patriotic service.

On October 5th, Peabody gave another great dinner at the London Coffee House, a favorite dining place of Benjamin Franklin, to the Americans who had been connected with the American section of the International Exposition. The dinner was a great success. Queen Victoria loaned her portrait by Sir George Hayter, next to which was hung Stuart's portrait of Washington. The orators included Earl Grenville, Sir H. Lytton Bulwer, elder brother of the novelist Bulwer Lytton, the British Minister at Washington, and Abbott Lawrence, the American Minister to London. A loving cup which Mr. Peabody had just received from America, made of oak from the home of his ancestors at Danvers, richly inlaid with silver and bearing the inscription "Francis Peabody of Salem to George Peabody of London, 1851," was passed around the tables.

Sir John Franklin sailed in 1845 to explore the Arctic. After July of that year when he was signalled by a passing whaler, he was never heard from. It is probable that he perished in the winter of 1850 or 1851. In 1852 his fate was still a mystery and Henry Grinnell of New Bedford offered his ship, the *Advance*, for an attempt, under Dr. Elisha Kent Kane, to find Franklin, provided Congress would appropriate the money necessary to pay the expense of the expedition, but as Congress did nothing, Peabody personally paid



the expense. Although the expedition was unsuccessful it was a sympathetic effort which was appreciated by the British people.

On June 16, 1852, Danvers celebrated in great style the one hundredth anniversary of its separation from Salem. Invitations had gone forth to all her sons, even to those long absent and far distant. Among the responses was a letter from London in which Peabody said, "I should have the greatest pleasure in joining in your interesting celebration if possible. The earliest associations of my life are clustered around our ancient town. It was, as many of you know, in a very humble house in the South Parish that I was born, and from the common schools of that Parish, such as they were in 1803 to 1807, I obtained the limited education my parents' means could afford; but in the principles there inculcated in childhood and early youth, I owe much of the foundation for such success as Heaven has been pleased to grant me during a long business life." He also enclosed a sealed envelope which should not be opened until the toasts were being proposed. He requested that his venerable friend and first employer, Sylvester Proctor, be permitted to occupy the seat he would have filled if present, and Captain Proctor was so seated. It was an exceedingly hot June day. After the procession was over and the celebration was being brought to a close by a grand banquet in a grove near Crowninshield Pond, following many speeches a toast was pro-

posed to their absent son George Peabody of London. The seal of the envelope was broken and the sentiment proposed by Peabody read, "Education—a debt due from present to future generations." The proposer of the toast then went on to say, "In acknowledgment of the payment of that debt by the generation which preceded me in my native town of Danvers, and to aid in its prompt future discharge, I give to the inhabitants of that town the sum of twenty thousand dollars for the promotion of knowledge and morality among them." The letter further requested that the money be used for the erection of a building in the South Parish as a lyceum for the delivery of lectures and for a library. Later in 1852 he gave ten thousand dollars more and September 29, 1854 the present Peabody Institute on Main Street, in that part of Danvers now known as Peabody, was dedicated, the address being delivered by Rufus Choate. As the years passed Peabody gave other gifts to the Institute which made its total in the aggregate \$217,600. His letter of gift suggested that it would be wise to forever exclude sectarian theology and political discussion from the walls of the institution. Although the days of lyceums have departed the Institute still has a fine hall, seating about eight hundred, for public assemblies, but its main use is for the splendid library of about fifty thousand volumes which the trustees so efficiently maintain and which is the Peabody Public Library.

Daniel A. Sickles, secretary of the U. S. Legation and afterwards a general in the Civil War, submitted to Mr. Peabody the idea that the fourth of July dinner for 1854 should not be paid for by him but should be a subscription dinner paid for by the American colony. The banker agreed that the invitations and arrangements should be taken out of his hands but insisted that he should be allowed to pay the expenses as hitherto. He remained, therefore, the host. The guests included James Buchanan, the United States Minister to London and three years later the President of the United States. After the material portion of the repast was over Mr. Peabody arose and said that in deference to her sex, if not to her position, he would propose as the leading toast, "The health of Her Majesty, Queen Victoria." The wrath of some of the guests was very great as they did not see how they could salute the Queen of England and still be loyal to the United States. Some, headed by Mr. Sickles, left the room in great anger; others, among them Mr. Buchanan, the American Minister, refused to arise. There was an uproarious mingling of hisses with the cheers which followed the toast. It was not a pleasing experience but Peabody did not flinch. Thereafter there were no subscription dinners but all who came were his personal guests and he always insisted that in her own country the Queen's health should not be ignored.

In 1854, now nearly sixty years of age, Pea-

body felt he needed a young and active partner and asked the advice of his old friend James Beebe, who told him that Junius S. Morgan who had been his own partner for the last three years was the best business man in Boston and just the man Peabody needed. The partnership was therefore offered to Morgan and accepted. One of the terms of the agreement, dated October 1, 1854, was that Morgan was to undertake the entertainment of the firm's friends, for which he was to be allowed twenty-five thousand dollars a year. Morgan went to London and took over many of Mr. Peabody's responsibilities. Two years later his son J. Pierpont Morgan, aged nineteen, decided he had had education enough and appeared at the banking rooms asking for a job, which was given him. He soon made himself a master of the trade and in 1857 he was sent to New York as a minor clerk with Duncan, Sherman & Company, American representatives of George Peabody & Company. Three years later his father suggested to his employers that young Morgan be taken into partnership. Receiving a curt refusal the father told his son to open an office on his own account, and made him American factor of George Peabody & Company. It is sometimes said that J. P. Morgan & Company were the successors of George Peabody & Company, but Pierpont Morgan was never a partner in his father's firm.

In 1855 the South Parish of Danvers was incorporated as a separate town and called South Danvers.



After an absence of twenty years, in 1856 George Peabody revisited the United States and although Boston, New York, Philadelphia and Baltimore wished to tender him receptions he declined all except that of his native town of Danvers, where on October 9th he received an ovation that would have been an honor to royalty. The skies were clear and the weather charming, a day typical of New England's Indian summer. Mr. Peabody arrived in Danvers about 9:30 in the morning, from Georgetown, where he had been stopping with his sister Mrs. Judith Daniels. He received a salute of honor of one hundred guns from the artillery and in a barouche drawn by six beautiful black horses was escorted through the streets of Danvers, by a mounted cavalcade of three hundred and forty ladies and gentlemen followed by over two hundred and fifty carriages and preceded by a band on horseback. Arriving at the South Danvers line, the streets and buildings of both towns being profusely decorated, they joined a procession of nearly five thousand paraders headed by the Second Corps of Cadets as an honorary escort and Gilmore's famous band. The lady riders each had a beautiful bouquet of flowers which they tossed into Mr. Peabody's carriage as they passed. The procession was over a mile in length with a half dozen bands.

A wooden platform had been erected in front of the Peabody Institute, where brief exercises were held, including a welcoming speech by the

Hon. Alfred A. Abbott, a hymn of welcome by the pupils of Holten High School and a response by Mr. Peabody. The march through the streets was again resumed, finally terminating at a large tent which had been erected in a field on Washington Street, where a sumptuous banquet was held for more than fifteen hundred guests, with a menu so long and elaborate that it would appall a caterer of today. At the conclusion of the dinner speeches were made by many distinguished persons, including Governor Gardner and Edward Everett, then America's foremost orator. A reception at the Peabody Institute in the evening terminated a most brilliant and successful day.

While in America it occurred to Peabody that the division of the town left Danvers itself without a library, and in 1856 he gave ten thousand dollars, later forty thousand dollars more and finally an additional fifty thousand dollars, or a total of one hundred thousand dollars, for the establishment of an institute at Danvers Plains which should be entirely independent of the one at South Danvers. He also gave many donations of books and a fund to provide medals for deserving graduates of the Peabody and Holten High Schools.

During the fearful panic of 1857, large manufacturing firms in England and America suspended. Banks refused to discount perfectly good paper. Drafts from the best houses were refused and remittances from America ceased. George Peabody & Company was called upon to provide great sums

of money to meet maturing acceptances at a time when money could only be obtained from the Bank of England, to which it applied for a loan of a million pounds on securities which were perfectly good but which it could not turn into cash at the moment. Some of the directors who were his rivals in business saw an opportunity to get rid of a formidable competitor and told Morgan, Peabody's partner, that they would grant the loan provided George Peabody & Company would cease business in London at the close of 1858. When Morgan brought this message Peabody was highly incensed and told Morgan to reply that he dared them to cause his failure. In the meantime the Bank of England suspended specie payment, which made money easier, and the loan was granted without conditions. Hayward, in a letter to Gladstone, on November 27, 1857, said, "Peabody was very hard run, having eight hundred thousand pounds to pay on one day." Peabody wrote his niece two weeks before and said "It is not yet three months since I parted from you, and left the country prosperous and the people happy. Now all is gloom and affliction. Nearly all American houses in Europe have already suspended, and nothing but great strength can save any. You will understand that it is the loss of the *credit* of my house that I fear." He did not send the letter for three weeks as he did not wish to worry her and then enclosed it with another, in which he said that while it was a severe test to his pride he had

applied for a loan of four million dollars, proposing security for the full amount required and after a week spent with committees and directors of the banks, "I finally succeeded and I doubt not that my house is now free from all danger." His belief was well founded and the firm weathered the storm with its standing and credit unimpaired.

He had made his first five thousand dollars in Baltimore and wished to do something for that city in which he had lived for twenty long years of his early business life. In 1857 he gave to the City of Baltimore funds for the erection of the Peabody Institute, and his total gifts to this institution were \$1,500,000. Although completed in 1861, because of the Civil War the building was not dedicated until 1866 when Peabody himself was present. As a part of the celebration twenty thousand school children greeted him. The Institute is a beautiful marble building on Mount Vernon Square, containing a public gallery, a gallery of art, an academy of music, a fine hall and lecture rooms. It also occupies an adjoining building for a preparatory school to the Academy of Music.

Peabody never married and although there were stories of disappointed love affairs no one could vouch for their truth. He was frugal in early years from necessity and remained frugal in later life from choice.

He never owned a home, living in modest bachelor apartments or staying with personal friends



or acquaintances, frequently with his friend and business associate Sir Curtis M. Lampson, an American who, in 1866, was made a Baronet by Queen Victoria for numerous public services in connection with the Atlantic Cable.

The small leather lunch box containing two little tin boxes in which he carried his mid-day meal in London, is now on exhibition at the Peabody Museum in Salem.

In the years when Peabody's annual income was at least three hundred thousand dollars, he never spent more than three thousand dollars on himself. He was bland, social and genial, fond of a good bargain, always leading in the conversation at the dinner table but willing to talk with those with whom he accidentally came in contact. As a railroad station agent who knew him well said, "He was a comfortable man to have around and would have been popular if he had not been worth a dollar."

When he was at the zenith of his fortune he was known to stand in the rain for a number of minutes because he preferred a horse car to a hackney coach. He was fond of backgammon and whist and his one sport was fishing. The only extravagance of which we have a record is that he is said to have paid twenty-five hundred dollars to a nobleman for the privilege of fishing for six months in his closed streams and ponds.

Money making was a pleasure to Peabody as well as an instinct of his nature. Like most men

who acquire wealth, he was watchful of small disbursements. He once complained to the directors of an English railroad and had an employee discharged because he charged him a shilling too much, "Not" said he, "that I could not afford to pay the shilling but the man was cheating many travelers to whom the swindle was oppressive."

His generosity was a triumph over a disposition naturally parsimonious. On one occasion he said, "It is not easy to part with the wealth we have accumulated after years of hard work and difficulty. But I advise you to try, for if you do, you will find it very pleasant."

He never smoked or drank and although he gave frequent dinners, including sumptuous banquets on July 4th, he ate sparingly at the banquets, generally a mutton chop and some fruit.

Peabody was a great believer in the bonds of the United States and of the several States and said that at the close of the Civil War three-fourths of his entire fortune was invested in these securities.

The gifts of Peabody were most unusual, for that or any other time, because most public gifts have been by will where the testator deprives himself of nothing, only changes the destination of that which he must of necessity leave behind. Gifts like those of George Peabody, made during life, were acts of personal sacrifice; he really made himself his own executor. In 1862 he began a series of gifts for the City of London which are

unparalleled when we consider that they were given for the benefit of a country not his own.

In March 1862 he addressed a letter to Charles Francis Adams, the American minister, his partner Junius S. Morgan, his friend Curtis M. Lampson, Lord Stanley and Sir James Emerson Tennent, in which he said:

“In reference to the intention which it is the object of this letter to communicate, I am desirous to explain that from a comparatively early period of my commercial life I had resolved in my own mind that, should my labors be blessed with success, I would devote a portion of the property thus acquired to promote the intellectual, moral and physical welfare of my fellowmen, wherever, from circumstances or location, their claims upon me would be the strongest.” He advised them that he was transferring to their account one hundred and fifty thousand pounds, to be held and expended by them for the worthy poor of London. While he did not limit their discretion he suggested that it be used for the erection of improved dwellings for the poor. He did direct that for all time there should be a rigid exclusion from the management of the fund of any influences calculated to impart to it a character either sectarian as regards religion or exclusive in relation to local or party politics. The trustees were to be self perpetuating, one of them always to be the American minister to England, and they were authorized to increase their number to nine.

The gift was not intended to provide almshouses for paupers but to house the worthy poor in clean and modern dwellings at low rentals. The English were astounded and profoundly grateful because of the liberality of the gift, especially as it came not from an Englishman but from a citizen of the United States, against which ancient animosities were being revived and new hatred aroused from causes growing out of the Civil War, especially the affair of Mason and Slidell which had occurred a few months before.

London granted to Peabody the honorary freedom of the city, which was presented in a gold box costing one hundred guineas, with appropriate speeches and a banquet, after he had been elected a freeman and liveryman of the Ancient Company of Clothworkers as a necessary prerequisite to that honor. Peabody said in part, "I have never forgotten and never can forget the great privations of my early years, and to encourage and stimulate the youth of this great city and country who have no reliance except on their characters and exertions to raise themselves in society, allow me to say that there are few persons among them whose opportunity for a prosperous life are not better than were my own at their age." He also received the honors and livery of the ancient and worshipful company of Fishmongers.

When Oxford conferred upon him the honorary degree of D. C. L. (Doctor of Civil Laws) the unruly undergraduates persisted in cheering

at every opportunity for Peabody and when the procession, headed by the University authorities, made its appearance and it was seen that he was last of those to receive honorary degrees, the cry went up, "Make way for Peabody; let him lead," followed by demands of "Peabody first" and the cheering of the undergraduates for the stranger from across the Atlantic kept the other dignitaries standing for some moments.

Queen Victoria, for what she described as his "more than princely munificence," wished to confer a baronetcy upon him or the Grand Cross of the Bath, both of which he politely but firmly declined. She thereupon asked what he would accept and was told that he only wanted a letter from her that he could take back to the United States. She promptly gave him a letter in her handwriting thanking him for his charitable gifts and requesting that he accept a miniature of herself which she intended to have painted for him. The portrait, ten by fourteen inches in size, is the largest miniature painted up to that time in England. It is on porcelain and cost about forty thousand dollars and a special furnace was built for its completion. It has a gold frame studded with jewels and decorated with the rose, shamrock and thistle. For this portrait the Queen gave special sittings and in spite of her widowhood assumed the demi-robcs of state and crown, which she wore when opening Parliament. She also wore the Koh-i-nor diamond and the Order of the Garter,



and the jeweled cross given her by Prince Albert. It was inscribed "Presented by the Queen to George Peabody the Benefactor of the Poor of London." The letter in explanation of the gift, dated March 1867, said, "This mark of the Queen's respect may fairly be regarded as the utterance of the country, through its Sovereign, and the grateful feeling called forth by an act of benevolent liberality without a parallel in our times. So regarded, the picture has an interest far beyond any Royal picture ever presented to crowned head, ambassador or state functionary."

In 1866, Peabody gave another one hundred thousand pounds, in 1868, a like amount, and by his will, one hundred and fifty thousand pounds more,—a total of five hundred thousand pounds or about two and one-half million dollars in American money.

From the report of the Governors of the Peabody Donation Fund, dated February 1932. It appears that about fifty thousand pounds have been added to the fund from other donations, which, with unexpended income above the cost of maintenance, has now made the total fund about thirteen million dollars, all of which, with the exception of about one hundred thousand dollars, is invested in improved homes for the poor.

To the end of the year 1931 the Governors have provided for the artisan and laboring poor of London 7355 apartments or 18,301 rooms, occupied by 25,409 people. The profits received

from rentals and unexpended income are constantly being expended in the erection of new dwellings. In 1931 eight new blocks containing 111 tenements were completed and occupied. Although the rents have been very low the Trustees have always had a balance of income to be added to the principal each year. The rent for tenements, other than cottages, is about two dollars a week, and for a room about eighty-four cents a week.

The present Board of Governors of nine includes the American ambassador, Mr. J. Pierpont Morgan and Viscount Astor.

The people of the City of London, determined that Peabody, then over seventy, should not die without knowing how much he was beloved, employed the eminent American sculptor William W. Story, who was born on Winter Street, Salem, to execute a bronze statue of George Peabody. While the "city," or innermost mile of the metropolis, has "few inches to spare for statues," his statue occupies some of those few inches. Peabody sits in what may be said to be the most costly chair in the British Empire, under the shadow of the Royal Exchange. He was discreetly on this side of the Atlantic when the statue was unveiled by the Prince of Wales, afterwards King Edward VII, in the presence of a vast and enthusiastic multitude. Mr. Motley, the American minister, in an eloquent reply to the Prince of Wales, said that the gifts of Peabody typified the epitaph on the monument of the old Earl of Devon, "What I

spent, that I had; what I saved, that I lost; that which I gave away remains with me."

A replica of the statue, presented to the City of Baltimore by Robert Garrett, for many years President of the Baltimore & Ohio Railroad, stands in front of the Peabody Institute in that city.

During the Civil War George Peabody was a great friend of the Union, but never with any hatred in his heart for those of the South, and at its close he wished to do something for that part of the country which had suffered most. In 1867 he gave to sixteen trustees, including Robert C. Winthrop, General Grant, Admiral Farragut, the Governors of Massachusetts, New York, Virginia and South Carolina, and others, representing both the North and the South, the sum of one million dollars for the establishment of the Peabody Education Fund, which he increased to two million dollars in 1869. With his first gift he also gave, in addition, defaulted bonds of the State of Mississippi of one million one hundred thousand dollars and with the second gift, State of Florida defaulted bonds of a face value of three hundred and eighty-four thousand dollars, both of which issues he had the greatest confidence would be finally paid, but which unfortunately was not the case.

In his first letter to his trustees, Peabody said, "I give you gentlemen the sum of one million dollars to be by you and your successors held in trust and the income thereof used and applied at your

discretion for the promotion and encouragement of intellectual, moral and industrial education among the young of the most destitute portions of the Southern and Southwestern States of our Union." The day following the receipt of the letter the trustees met at the Willard Hotel in Washington. Mr. Peabody was seated at a table with the Hon. Robert C. Winthrop, his confidential friend, who was to be for twenty-seven years chairman of the trustees. General Grant, who had led the Northern army to victory, stood next to Governor Aiken of South Carolina, which had suffered deeply in the war. Mr. Peabody arose and read his deed of gift for the children of the South and after a solemn hush it was suggested that the blessing of God be invoked upon the great enterprise, whereupon they all knelt in prayer, those of the North touching elbows in the circle with those of the South, and pledged themselves to a faithful execution of their trust, which, not two years after Appomattox, was a first step toward a reunited country.

Peabody received from Congress a gold medal, which is much more than the word implies as it is a most elaborate specimen of the goldsmith's art. Not only is there a "medal" with the benefactor's profile but a statuette of Benevolence crowning him with a laurel wreath, and palmetto trees, with children of both races playing under their shade.

Few of the southern states then had a free pub-

lic school system and there were almost no training schools for teachers. The trustees wisely undertook to change the situation by first contributing the largest share of the income to the establishment of the public school system. As the states gradually progressed with the system on their own account the Board decreased its expenditures for that purpose and increased its efforts to establish normal schools for teachers. The publishing house of D. Appleton & Co. evidenced its appreciation of Mr. Peabody's gifts by donating one hundred thousand school books, and A. S. Barnes & Co. by a gift of five thousand volumes of the Teachers' Library and twenty-five thousand school books.

In 1875, the trustees founded the Peabody Normal College, which began its work in the City of Nashville, Tennessee, in the buildings of the old Nashville University and became the mother and model for the seventy-two normal schools and teachers' colleges which have been since established in other parts of the South, with fifty thousand pupils.

In 1909, the Peabody Education Fund caused the Peabody Normal College to be reborn as the George Peabody College for Teachers, which changed its location and began teaching on its own campus, with new buildings and an endowment of six million dollars. In 1914, the Peabody Education Fund wound up its affairs and turned the greater part of its funds over to the College, which now has an annual enrollment of



thirty-five hundred. Its especial work is the training of teachers for other normal schools and for positions as administrators of educational systems.

In 1925 it celebrated in Nashville, Tennessee, its fiftieth anniversary. One of the most eloquent voices heard was that of the Honorable Alden P. White of Salem, who spoke of George Peabody from the viewpoint of his birthplace. He had also spoken thirty years before, in Peabody, when that town celebrated the one hundredth anniversary of the birth of its benefactor. President Calvin Coolidge wrote to those who were celebrating, "At the present time, when benevolence on a grand scale has become an accepted concomitant of our national prosperity and when educational progress engages the support of all thoughtful citizens, there is peculiar interest in the life story of George Peabody, a native of Massachusetts, who has been called 'the father of modern educational philanthropy.' If his name is today upheld by our memories and revered in our hearts, it is because George Peabody represented the character which we value in our citizens. He was strong in sagacity and gentle in demeanor—a man just to himself and also just to his neighbors. It was with integrity that he earned a fortune; it was with patriotism that he invested it; and it was with wisdom that he bestowed it on others."

Peabody's mother, Judith Dodge Peabody, was born in what was then called New Rowley. When it was incorporated as a separate town it was named

Georgetown, in honor of Judith's son George Peabody.

In conjunction with his sister, Judith Peabody Daniels, in 1866, Peabody began the erection of the Peabody Memorial Church in Georgetown, at a cost of seventy-five thousand dollars, in memory of their mother. He also gave the town twenty-five thousand dollars for a library and a library building.

On February 26, 1867, Peabody gave one hundred and forty thousand dollars which enabled the Museum of the Salem East India Marine Society, founded in 1799, and the natural history collection of the Essex Institute, begun in 1834, to be united in the same building, which it now occupies, as the Peabody Academy of Science, which name, in 1915, was changed to its present title of the Peabody Museum of Salem.

He gave especially to towns or cities where he had lived or had been in business, including a library and building to Thetford, Vermont, where he had lived for a year on his grandfather's farm, and fifteen thousand dollars for the library at Newburyport.

In 1866, he gave one hundred and fifty thousand dollars to Yale, for the erection and maintenance of a museum of natural history and a like sum to Harvard, for a museum and professorship in American archaeology and ethnology, which resulted in the Peabody Museum at that College, one of the leading museums of its kind in America.

He gave twenty thousand dollars to the Massachusetts Historical Society, twenty-five thousand dollars to Phillips Andover Academy, and twenty-five thousand dollars to Kenyon College in Ohio. He was not an impulsive giver and confined his gifts to those of a public nature. He was not inclined to give to individuals, although he is said to have received one thousand begging letters a month.

At the Peabody Institute in Peabody, are conspicuously displayed in a huge vault the beautiful miniature portrait of Queen Victoria enamelled in gold, her own gift in recognition of Peabody's establishment of the homes for the poor; the gold box containing the freedom of the City of London, and another given to him by the Fishmongers Company, one of the most ancient guilds of London; the gold medal presented by Congress, because of his gifts for Southern education; and the medal awarded by the Paris Exposition, in 1877, to the Trustees of the Peabody Education Fund. There are also deposited valuable autographs and letters, and the original letter of thanks in the handwriting of Queen Victoria; several volumes of beautifully engrossed resolutions, including those passed by the United States Senate, March 16, 1867, all in wonderful bindings of full morocco, and a fine portrait of the philanthropist, which he himself presented.

He gave away for public use during his life a sum of money which, including the one hundred and fifty thousand pounds left by will to the poor

of London, aggregated eight million dollars, leaving his fortune during the latter years of his life about four million dollars. His liberality influenced other charitably inclined persons, and Moody, the Evangelist, relates:

“I was a guest of John Garrett once, and he told me that his father used to entertain Peabody and Johns Hopkins. Peabody went to England and Hopkins stayed in Baltimore. They both became immensely wealthy. Garrett tried to get Hopkins to make a will, but he wouldn't. Finally, Garrett invited them both to dinner, and afterward asked Peabody which he enjoyed most, the making of money or the giving it away. Hopkins cocked up his ears and then Peabody told him that he had had a struggle at first, and it lasted until he went into his remodelled London houses and saw the little children so happy. ‘Then,’ said Peabody, ‘I began to find out it was pleasanter to give money away than it was to make it.’ Forty-eight hours later Hopkins was making out his will founding the university and the hospital.”

In 1868 the town of South Danvers changed its name to Peabody.

In 1869, being apprehensive as to the state of his health, Peabody came to America to complete the arrangements for his second gift of a million dollars for the Southern Education Fund. He spent the summer at White Sulphur Springs in West Virginia. Realizing that his health was failing, his physician advised Peabody to avoid the

approaching cold weather by going to a warmer climate, and accordingly he sailed for England on September 29, 1869, on the *Scotia*, and upon arriving in London went directly to the house of his friend Sir Curtis M. Lampson, in Eaton Square, intending after a few days to go to the South of France for the winter. The Queen at once invited him to stay with her informally. "He was not to worry about dinners but to regard himself as an intimate and honored guest, as she wished to have many quiet talks with him." But it was not to be for he died on November 4, 1869 at the age of seventy-four.

The scenes which followed are without a parallel. From the rich and poor of Great Britain there arose a demand that he be interred in Westminster Abbey in the city where for so many years he had made his home and was considered one of its greatest benefactors. His life was claimed by the British as a permanent possession of the race. That there should be no doubt about England's desire, a grave was dug in the nave of Westminster. But almost his last words were "Danvers—Danvers, don't forget," and his will disclosed that he wished to be buried in Harmony Grove Cemetery in Salem, near the South Danvers or Peabody line.

Nevertheless, impressive funeral services were held in London, the procession forming at the mansion of Sir Curtis M. Lampson where he died, and including the carriages of Queen Victoria,



the Prince of Wales, the Lord Mayor of London and many other distinguished persons. The funeral passed slowly through the streets to Westminster Abbey which was draped in deep mourning and filled with people admitted by ticket. After an impressive service the body was temporarily interred in the shallow grave, three feet deep, in Westminster Abbey, where it remained for over a month, until it was brought to America. The empty grave is still marked in his honor and is close to the grave of the Unknown Soldier. The next Sunday, the Bishop of London preached his funeral sermon. The funeral honors which were then and later paid him were with more pomp and ceremony than had ever before been displayed in England or America at the funeral of a private citizen.

England converted its newest warship, the *Monarch*, into a funeral barge. The railroad provided a special train, free of all charges, to convey the body and funeral party from London to Portsmouth, where, between lines of motionless officers and seamen of the British navy standing at attention and amid the salutes of minute guns, the body was tenderly borne, in a driving rain, to the deck of the *Monarch*, then regarded as the finest and latest of England's ships of war. It was painted in full mourning with a special chapel solemnly draped in the manner of the period, unadorned, save wreaths of immortelles surrounding the initials "G. P.," with massive silver candlesticks for illumination.

Thousands visited the warship and paid honor to the deceased before the vessel started on what proved to be a tempestuous voyage, and he who had begun life as a grocer's boy was borne to his grave across the Atlantic on as proud a bier as any dead monarch could have had.

On the night of Tuesday, January 25, 1870, the *Monarch* and the American man of war *Plymouth* which had convoyed her across the ocean, arrived most unexpectedly in a dense fog and a storm of sleet and rain off Portland. Heavy gunfire warned the pilots of the arrival, who put out and guided the ships to a safe anchorage in the outer harbor. The next morning preconcerted signals upon the fire alarm, sounded six times, informed the citizens that the long expected event had arrived ; that the vessel was in the harbor and the remains might soon be landed. In spite of a snow storm, thousands flocked to the wharf. The revenue cutter *Mahoning* bearing government, state and city officials and accompanied by the American ironclads *Miantonomoh* and *Terror* and and steamer *Leyden*, steamed out to meet the *Monarch*, amid the firing of minute guns, and escorted her into the inner harbor. In accordance with the wish of the English Government, however, the body remained until Saturday on the *Monarch*, where it was visited by Admiral Farragut, commander of the American navy.

On Saturday, in the midst of another snow storm, the body was placed on the *Leyden*, which

bore the flag of Admiral Farragut, and guarded by the officers of the *Monarch* and with its band and two companies of British marines, proceeded slowly up Portland harbor under escort of the American ship *Iris*, with the band of the Fifth United States Artillery playing a dirge, and with Admiral Farragut, on the steamer *Cohasset*, bringing up the rear.

They proceeded through a double line of twenty-two boats from the various warships, filled with seaman with oars apeak, each line drawn by a tug, the boats falling in behind the Admiral.

Governor Chamberlain of Maine and his staff and the Maine legislature with two companies of militia, awaited them on the wharf and accompanied them to the City Hall, during which time guns were fired from the ships, the forts and the arsenal. The City Hall was closed until Monday morning when it was opened to the public. In the meantime, official delegations from various parts of the country were assembling and left Boston for Portland on the special train which was to convey the remains to Massachusetts, drawn by the locomotive "George Peabody," with cars newly built at the Salem Shops.

On Tuesday there was another heavy fall of snow in the morning but desperate efforts were made to keep the streets clear for marching, with but poor success. Hard as it was for marching soldiers, it was still worse for the horses.

After an impressive service at the City Hall,

which included singing by the Handel and Haydn Society of Portland, of three hundred voices, accompanied by the Germania Orchestra of Boston, a funeral procession over half a mile in length was formed, headed by two great snow ploughs each drawn by six horses and followed by a crowd of husky shovellers and then by troops with reversed arms guarding the body. By this time the sky had cleared and when the procession reached the station the special train from Boston awaited the funeral party. The train was heavily draped in mourning and carried a guard of honor of four companies of the Fifth U. S. Artillery.

As the train progressed, crowds gathered at every stop and when it reached Beverly it was boarded by the Mayor and City Council of Salem. From the time it left Salem, where it was saluted by guns fired from a wharf on the North River, until the train stopped in Peabody, the track was lined with crowds for the entire distance.

The body was taken to the Peabody Institute where it remained until Monday, February 7th, when the public were admitted.

On the following day impressive funeral services took place in the South Church, the fifth resting place of the body on its way to the grave. Queen Victoria directed her young son Prince Arthur, then about twenty years old, who is now the Duke of Connaught, to represent her at the services. He came from Boston in a special train accompanied by his staff and the British minister.

The Governor of Massachusetts and many other dignitaries from all over the Union were present. The Hon. Robert C. Winthrop delivered the funeral oration.

Storms which had marred every public observance from the time the body left England, again intervened and snow which began to fall in the forenoon, by the time of the funeral service had developed into a howling blizzard of wet and heavy snow, which is still remembered as one of the heaviest falls of snow of which we have a record. In spite of the storm, a long funeral procession was formed and included the First and Second Corps of Cadets, Salem Light Infantry, Salem Mechanics Light Infantry, the Charlestown Cadets, two companies from Lynn and the Sutton Guards of Peabody.

After a hard march to Harmony Grove Cemetery, the body was temporarily placed in the tomb of Joseph Peabody. His executors followed his express desire and later placed him in his present tomb, which also contains the remains of his father who had died nearly sixty years before, and his mother, who had died forty years before, as well as the bodies of six of his brothers and sisters.

A short time before he had left the United States he had prepared a deed of trust dividing about a million and a half dollars among his relatives. His will, with the exception of a few minor legacies and the one hundred and fifty thousand



pounds which he wished added to his gift for Housing the Poor of London, directed the distribution of his remaining property among the persons mentioned in the trust deed.

There are only two millionaires in the Hall of Fame,—Peter Cooper and George Peabody. Of the one thousand nominations for that distinguished honor, George Peabody was fifteenth on the list of those finally receiving votes and his bust was unveiled on May 12, 1926.

VICTOR HUGO said of him that “having a place near Rothschild he found means to change it for one near St. Vincent de Paul”; and GLADSTONE, that he “taught men how to use money and how not to be its slave.”

He was a man of tender heart and generous impulse, who believed that the highest duty of the rich was not to dole out small sums to the improvident but to put the commonwealth in the way of preventing improvidence by general education, and helping the honest poor to live in decency and comfort. He said “I have not sought to relieve pauperism but to prevent it.” The name of George Peabody is synonymous with philanthropy and that word is his lasting monument.



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